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S E C R E T SECTION 01 OF 02 ABU DHABI 002772

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USDOC FOR BIS DMCCORMICK, DJACKSON, WWYSONG  
NSC FOR FTOWNSEND, DSTEPHENS, EABRAMS

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TAGS: [PARM](#) [PREL](#) [PGOV](#) [ETTC](#) [IR](#) [IZ](#) [AE](#)

SUBJECT: VP/PM MOHAMMED BIN RASHID ON COUNTERPROLIFERATION,  
IRAQ CONCERNS

REF: A. STATE 102501 (NOTAL)

[1](#)B. ABU DHABI 2688

[1](#)C. ABU DHABI 2633

[1](#)D. DUBAI 3067

[1](#)E. DUBAI 3996

Classified By: Ambassador Michele J. Sison for reasons 1.4 b and d.

[1](#)1. (S/NF) Summary: On July 1, Ambassador met with Sheikh Mohammed bin Rashid (MbR), UAE Vice President and Prime Minister, at MbR's request. Ambassador underscored USG concerns on the need for the UAEG to pass export control legislation and provided MbR with a copy of ref A nonpaper, which had been furnished earlier to FM Sheikh Abdullah bin Zayed (refs A, B). Although Sultan bin Sulayem, Executive Chairman of Dubai Ports, Customs and Free Zones, described at length the difficulty the UAE faces in enacting an export control law, MBR interrupted and stated, "We can make the law and will control what we can." Turning to Iraq, MBR (who also holds the title of UAE Minister of Defense) expressed concern that within a year, Iraq will be in a full-scale civil war. MBR also mentioned ongoing counter-terrorism cooperation, the FTA, Minister of Economy Sheikha Lubna's recent visit to Washington, two recent high-profile arrests of Americans in Dubai, and a U.S. company's problems with a Dubai proposed land development deal during the one-hour session. End summary.

[1](#)2. (U) On July 1, Mohammed bin Rashid (MBR), UAE Vice President and Prime Minister, invited the Ambassador to his Dubai palace for a general discussion. Mohammed Abdullah Al Gergawi, UAE Minister for Cabinet Affairs; Sultan bin Sulayem (SBS), Executive Chairman of the Ports Customs and Free Zone Corporation; Sheikh Hamdan bin Mohammed al Maktoum, MBR's son and Head of Dubai Bank; a Dubai General Department for State Security representative and Dubai PolEconoff (notetaker) were present.

"We can make the (export control) law"

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[1](#)3. (S/NF) Ambassador thanked MbR for UAE cooperation on the joint US-UAE Counterproliferation Task Force and cooperation from federal and local law enforcement on counterproliferation issues. She noted that she had met with Foreign Minister Sheikh Abdullah bin Zayed (AbZ) the week before to discuss the USG's plans to take a number of

immediate steps to address the continuing problem of diversion of goods from the UAE to Iran,s WMD and missile programs. She noted the poor record of verified end-users documented by the recent USDOC Sentinel trip. The Ambassador also provided MbR with a copy of the "Improving the UAE Counterproliferation Record" nonpaper and a copy of her recent letter to Dubai General Director for State Security Mohammed al Qemzi on the role of the USDOC/BIS export controls attache and the Sentinel program.

¶4. (S/NF) Ambassador also emphasized the importance of the UAE passing an export controls law that includes control lists and enforcement mechanisms. She asked MbR, in his new role of UAE Prime Minister, whether the Cabinet might pass the draft export control legislation before the July 10 recess. At this point, Dubai Ports, Customs and Free Zones Chairman Sultan bin Sulayem launched into well-worn excuses about the difficulty controlling the re-export and transshipment of goods -- particularly to Iran -- and the fruitlessness of sanctions. However, MbR interrupted Sultan and said, "We can make the law and control what we can" (he did not offer a timetable, however). The Ambassador thanked MBR for his attention to the issue, and for the UAE's recent decision to endorse the Proliferation Security Initiative.

¶5. (S/NF) Ambassador noted that the export controls attache sought to promote legal trade between the U.S. and the UAE and to ensure that U.S. dual-use goods entering the UAE were used in accordance with U.S. export control laws and regulations. She described the Sentinel program, noting that USDOC's Office of Export Enforcement sends personnel abroad to visit the end-users of sensitive controlled commodities and determines whether these items conform with license

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conditions.

Civil War In Iraq Inevitable  
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¶6. (S/NF) MBR warned the Ambassador that civil war in Iraq would break out in a year, adding that he believed that there was little that could be done to stop it. MbR said that he and other UAEG officials maintained open channels with "both sides" in Iraq (presumably Sunni and Shi,a). He blamed the growth of militias and poor administration by the Iraqi government as the factors in a deteriorating situation.

¶7. (S/NF) The Ambassador recounted Ambassador Khalilzad's recent visit to Abu Dhabi and the USG,s support for PM al Maliki's goals of eliminating militias and promoting national reconciliation. She welcomed UAE input on the disarming and reintegration of the Iraqi militias and noted USG appreciation for the UAE's offer to organize meetings with Iraqi government officials and UAEG energy officials and oil businesses to foster energy sector cooperation. MBR said the UAE was "ready to help" in Iraq but expressed doubt that the militias would be easy to dismantle. He groused that Prime Minister Nouri al-Maliki's administration was "doing nothing for the Iraqi people."

Investment, FTA and Other Topics  
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¶8. (C) Ambassador asked MbR, who is also Ruler of the Emirate of Dubai, for the views of the Dubai business community on the ongoing FTA negotiations (the Dubai Chamber of Commerce has been the most strident of the UAE's critical voices on the FTA). MBR said that the Dubai population remains split on the FTA, but agreed that public outreach by both sides was important. MbR briefly noted ongoing counter-terrorism cooperation. MbR said that Minister of Economy Sheikha Lubna Al Qasimi's recent visit to Washington had been productive, and that Sheikha Lubna had recommended sending additional UAEG representatives to the United States to to reduce

"misunderstandings" (likely a reference to Dubai Ports World). MBR also discussed two recent high-profile arrests of Americans in Dubai(refs D, E).

19. (C) Ambassador then raised McKinley Reserve/Capital Partners' problems with a stalled land development deal in Dubai -- RiverWalk -- and noted growing Congressional interest in the dispute. MBR was surprised to hear of the difficulties with the project and summoned Mohammed Abdullah Al Gergawi, Minister for Cabinet Affairs, to comment on the issue. Gergawi said the company had defaulted on its payments and noted that "other issues" exist. Gergawi pledged to follow up on the issue and to have Ahmed bin Byat, Executive Chairman of TECOM Investments -- the UAE party to the deal ) call on the Ambassador with further information.

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